Other steps taken by the Government include implementation of the national disease control programmes throughout the country for control of major diseases like Malaria, TB, Leprosy, AIDS, Blindness, Cancer and Mental Health. Also, norms for providing assistance under the various disease control programmes have been relaxed for remote, hilly and tribal areas. State Health Systems Project is being implemented with World Bank assistance in seven states to upgrade the secondary health infrastructure and provide quality healthcare services to the people, especially the rural poor and the under-served. 10% of the central sector health plan outlay is earmarked for the North-Eastern States including Sikkim. In order to provide specialized medical care to the people of the entire North Eastern Region, the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Shillong is proposed to be upgraded to a 500-bedded super speciality referral hospital. Primary health is also one of the six components under the Pradhan Mantri Gramodaya Yojana (PMGY) wherein state are given Additional Central Assistance under the scheme for improving health services in the state. Also, it is proposed in the Union Budget 2004-05 that new hospitals with 100 beds or more to be set up in rural areas would be entitled to a 100% deduction of their profits for a period of 5 years.

Processing of fruits and vegetables

*178. DR. VIJAY MALLYA:
SHRI RAJEEV SHUKLA:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government are aware that only two per cent of the vegetables in the country are being processed at present as against 15-40 per cent in other countries;

(b) whether there is any proposal to reduce excise duty on processed foods to boost the demand for the products in the country;

(c) whether Government are contemplating to provide a supporting network of infrastructure of roads, electricity, transport and cold storage, etc. to the processed food sector; and

(d) if so, the steps being contemplated to organize the food processing industry on a modern and scientific basis to ensure quality and cost efficiency in the industry?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) and (b) Level of processing of fruits and vegetables is presently a little over 2% as against higher level of processing in certain other countries. Processed products of fruits & vegetables are already exempted from payment of excise duty. For promotion of upcoming agro processing units, the Government has announced on 8th July, 2004 in Parliament to allow under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Present excise duty of 16% on dairy machinery has been fully waived. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil has been reduced from 32% to 16%.

(c) and (d) In order to ensure better market orientation and make food processing units more cost-competitive, financial assistance @ 25% for general and 33.33% for difficult areas subject to maximum of Rs. 4.00 crore is sanctioned for establishment of food parks which provide common facilities such as uninterrupted power supply, water supply, cold storage/ice plant, warehousing facilities, affluent treatment plant, quality control and analytical laboratories, training/conference facilities etc. Financial assistance is also provided for establishment, modernization and expansion of food processing units @ 25% and 33.33% of costs of plant and machinery and technical civil works subject to a maximum of Rs. 50 lakhs and Rs. 75 lakhs in general and difficult areas respectively. For improvement of food quality/safety, financial assistance is provided to units/organizations to enable them to adopt bar coding practices, implement HACCP/ISO standards, set up quality control lab, codex cell, etc. Keeping in view the new approach and fresh thinking towards agro processing, the Government has planned to act vigorously as a catalyst agent to promote power arrangement and other networking facilities in food parks.